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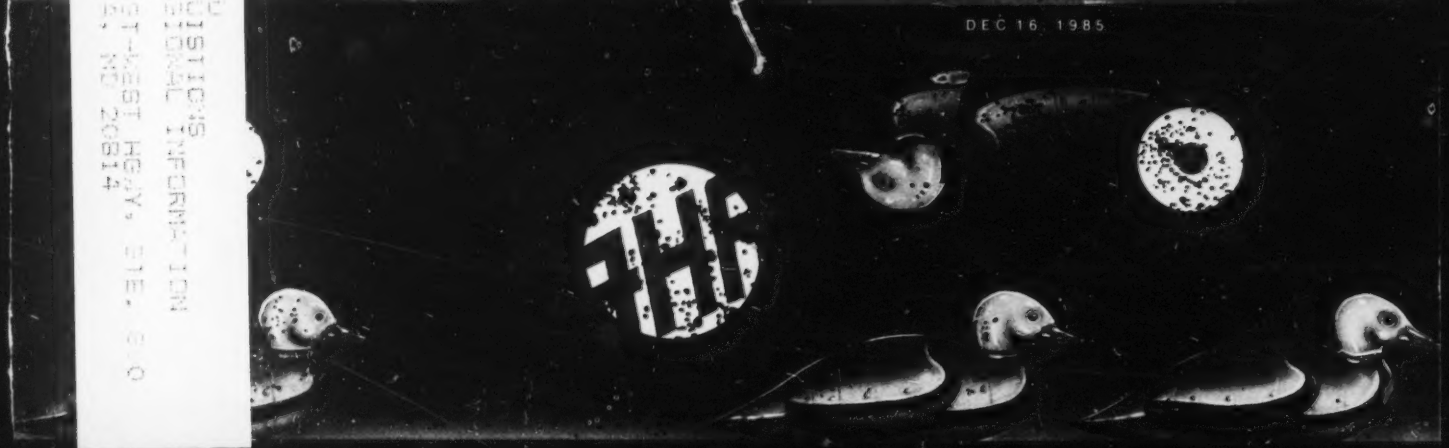

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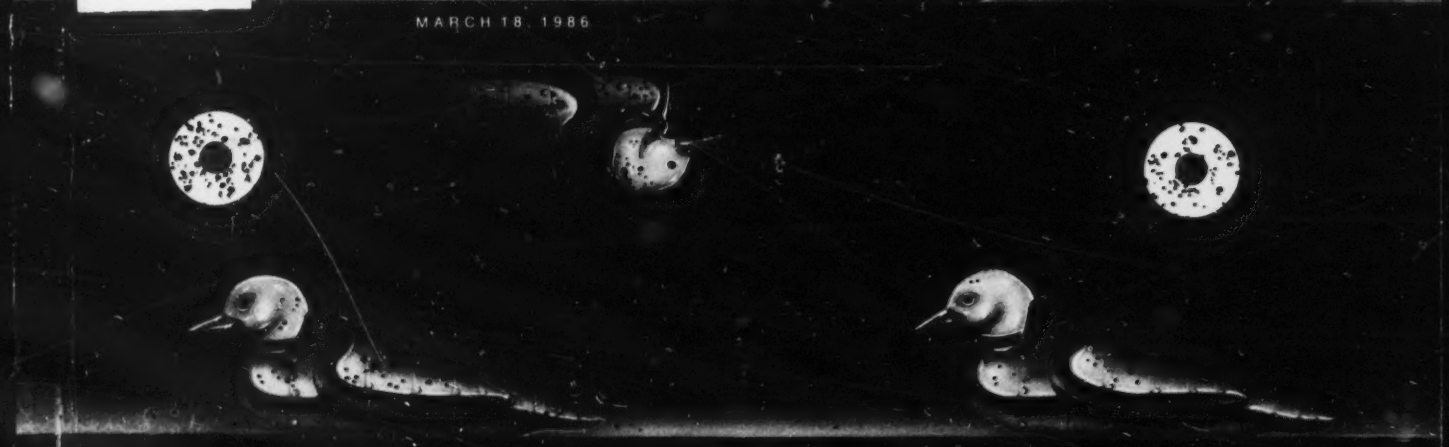

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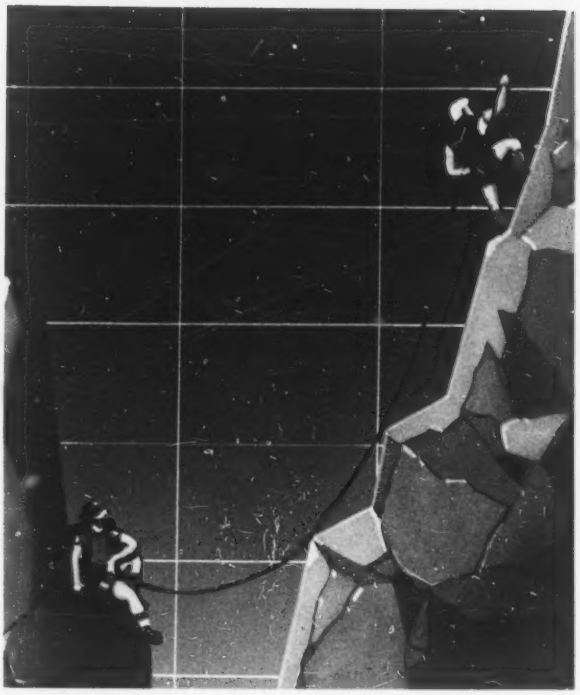

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MORTGAGE MARKET TRENDS

A surge in consumer spending, largely induced by cut-rate auto financing, led to a marked improvement in the rate of economic growth in the third quarter. The actual figure should be in the 2½ percent range, a vast improvement over the anemic 0.6 percent recorded for the second quarter.

The fourth quarter should see a slight improvement in economic performance, fueled by a pickup in auto production as dealers seek to restore depleted inventories and continued strong gains in consumer spending, though not at quite the brisk pace of the third quarter. However, sluggish growth in the 2 percent range can be expected to characterize the first half of 1987 due to a slowing in the rate of increase of consumer spending, the effects of tax reform and a slowdown in the rate of growth of federal spending. As a result, interest rates should remain near current levels for the remainder of the year and edge downward in early 1987.

Although recent monthly employment gains have been disappointing, implying a slowing of the rate of growth of personal income, consumer spending is expected to remain strong in the fourth quarter. Consumers have shown a willingness to add to their installment debt and reduce their savings rate in order to take advantage of recently available purchasing incentives. Some of this strength is expected to carry forward into the fourth quarter, especially for the larger durable items such as autos, furniture and appliances. The elimination of the sales tax under the new tax bill provides an incentive to "move up" purchase plans to 1986. However, the effects on growth of the increased demand for consumer durables will be mitigated by the fact that a significant portion of the increased sales can be expected to consist of imported goods.

The moving up of spending on consumer durables in the current quarter, in which sales are borrowed from early 1987, is expected to contribute to a significant weakening of consumer spending in the first half of the upcoming year. In addition, consumers can be expected to replenish their recently depleted savings and to work off some of their debt burden during this period.

The industrial sector continues to show signs of weakness. Industrial production, up 0.1 percent in August compared with July, is only 0.3 percent above the level of a year ago. Manufacturing employment appeared to show some signs of stabilizing earlier in the summer. However, revised figures show that employment in this sector is continuing its declining trend. In addition, new orders for non-defense manufactured goods, the dominant and more stable component of the new orders measure, has been flat in recent months. There are, however, some reasons for being optimistic. A rise in auto production can be expected in order to replenish inventories and in response to continued strong demand. Also, the recent Purchasing Manager's Survey suggests some expansion in production in the near term. However, stabilization or modest growth in this sector appears to be the best that can be expected through the first half of 1987.

Recent surveys indicate very little growth in planned business fixed investment over the next six months. The phasing out of the investment tax credit, together with a relatively low rate of capacity utilization and high vacancy rates in commercial buildings, could result in weakness in this area for an extended period of time.

Inventory investment can be expected to provide some stimulus to growth in the months ahead. Both retailers and manufacturers appear to be remaining cautious in regard to inventory accumulation, after having to offer price concessions to move large stocks of inventories recently. However, a significant increase in auto inventories can be expected in the fourth quarter as dealers replenish their currently low stocks. This controlled inventory growth now should prevent any serious overhang of inventories from dampening economic growth in early 1987.

The expanding trade deficit, which has been a major drag on economic growth during the past two years, is not expected to show much, if any, improvement in the near term. In fact, while the level of petroleum imports can be expected to decline in the fourth quarter, increases in non-petroleum imports and a decline in exports of manufactured goods could result in a further deterioration of the trade deficit.

Now that the effects of the oil price declines earlier in the year have largely worked their way through the system, the rate of price increase can be expected to return to trend levels. Thus, we anticipate an inflation rate of roughly 4 percent at an annualized rate through the first half of 1987.

The Federal Reserve, concerned about recent signs of weakness in the economy, is expected to continue its accommodative stance. But it is unlikely that economic developments will induce the Fed to lower the discount rate again this year. However, a further cut in the discount rate early in 1987 is a strong possibility.

Interest rates should remain in their current range through the final quarter of 1986, then decline slightly in the first half of 1987. On top of this trend, MBA expects interest rates to continue to be volatile as nervous credit markets react to exchange rate adjustments and indicators of a modest rebound of economic growth during this fourth quarter. The yield on 10-year Treasury notes, currently around 7¼ percent, should decline to 7 percent in the first half of 1987, while contract mortgage interest rates should fall to the 9 to 9½ percent range.

The single-family housing sector should remain strong in 1987, though not as strong as in recent months. Now that mortgage interest rates have remained at relatively low levels for an appreciable period of time, any increase in the level of demand for housing must arise largely from increases in income or in household formation. Thus, the anticipated sluggish economic growth should result in single-family starts in the 1.2 to 1.3 million unit range. However, continued strength in existing home sales and a still significant amount of refinancing volume should result in total single-family origination volume in excess of $325 billion. Commercial construction and multifamily starts will probably fall well below 1986 levels, due to the effects of the new tax bill and continued high vacancy rates in key markets.

Dr. Victor Cholewicki
Economist
October 15, 1986

HOUSING ACTIVITY

RESIDENTIAL STRUCTURES, BY UNIT TYPE

(Units in thousands)

YEAR AND MONTH	HOUSING STARTS: Actual Total	HOUSING STARTS: Actual 1-4 Units	HOUSING STARTS: Actual 5+ Units	HOUSING STARTS: Seasonally Adjusted Annual Rates Total	HOUSING STARTS: Seasonally Adjusted Annual Rates 1-4 Units	HOUSING STARTS: Seasonally Adjusted Annual Rates 5+ Units	PERMITS 17,000 ISSUING PLACES: Actual Total	PERMITS 17,000 ISSUING PLACES: Actual 1-4 Units	PERMITS 17,000 ISSUING PLACES: Actual 5+ Units	PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rates Total	PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rates 1-4 Units	PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rates 5+ Units
1986												
MAR	151	104	47	1,960	1,305	655	152	99	53	1,834	1,150	684
APR	188	126	62	2,019	1,321	698	180	125	55	1,885	1,256	629
MAY	187	134	53	1,853	1,324	529	170	120	50	1,788	1,210	578
JUN	184	131	52	1,852	1,310	542	173	121	52	1,792	1,229	563
JUL	176	124	52	1,815	1,236	579	165	115	50	1,759	1,196	563
AUG$_P$	166	118	48	1,822	1,288	534	143	99	44	1,654	1,137	517
1985 TOTAL	1,741	1,165	576				1,733	1,077	657			
1984 TOTAL	1,750	1,206	544				1,682	1,065	617			
8 MONTHS												
1986	1,274	888	386				1,213	821	392			
1985	1,176	805	371				1,161	744	417			
1984	1,224	844	380				1,184	778	406			
1983	1,144	809	335				1,079	636	443			

RESIDENTIAL STRUCTURES BY REGION

(Units in thousands)

YEAR AND MONTH	STARTS: Actual North East	STARTS: Actual Mid-West	STARTS: Actual South	STARTS: Actual West	STARTS: Seasonally Adjusted Annual Rates North East	STARTS: Seasonally Adjusted Annual Rates Mid-West	STARTS: Seasonally Adjusted Annual Rates South	STARTS: Seasonally Adjusted Annual Rates West	PERMITS 17,000 ISSUING PLACES: Actual North East	PERMITS 17,000 ISSUING PLACES: Actual Mid-West	PERMITS 17,000 ISSUING PLACES: Actual South	PERMITS 17,000 ISSUING PLACES: Actual West	PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rates North East	PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rates Mid-West	PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rates South	PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rates West
1986																
MAR	21	21	69	40	332	344	763	521	21	20	64	46	276	287	718	553
APR	29	32	75	51	324	365	796	534	29	33	69	49	302	333	727	523
MAY	28	28	78	53	266	251	813	523	29	31	62	49	277	301	687	523
JUN	30	35	70	48	283	300	768	501	28	30	66	50	274	286	728	504
JUL	29	36	64	46	283	352	706	483	30	31	61	43	314	297	692	457
AUG$_P$	35	31	60	41	333	296	708	485	25	27	52	39	271	264	644	455
1985 TOTAL	252	240	782	468					260	237	753	484				
1984 TOTAL	204	243	866	436					201	212	812	457				
8 MONTHS																
1986	199	204	530	341					189	194	487	343				
1985	158	159	535	324					171	156	509	325				
1984	127	164	623	310					129	144	581	330				
1983	114	143	629	259					107	122	590	261				

HOUSING ACTIVITY (Cont'd.)

YEAR AND MONTH	HOUSING SALES (Units in thousands) EXISTING HOUSES[1]	NEW HOMES Sold	NEW HOMES Available For Sale	NEW HOMES Months Supply at Current Rate	VALUE OF NEW CONSTRUCTION PUT IN PLACE (Dollars in billions) Seasonally Adjusted Annual Rate Total	1 Unit	2+ Units	Non-res.	CONSTRUCTION STATUS (Units in thousands) Seasonally Adjusted Annual Rate Under Construction Total	1-4 Units	5+ Units	Completions Total	1-4 Units	5+ Units
1986														
MAR	277	89	331	4.5	221.1	95.7	30.8	94.6	1,099	627	472	133	92	41
APR	336	84	334	4.5	224.2	97.5	31.9	94.8	1,135	638	497	129	94	35
MAY	330	75	335	5.3	224.3	99.5	32.9	91.9	1,132	648	484	148	94	54
JUN	338	66	342	5.8	226.7	102.4	32.8	91.5	1,153	665	488	150	103	47
JUL	335	57	353	6.2	229.6	104.8	32.5	92.3	1,160	679	481	151	101	50
AUG[p]	348	49	357	7.3	232.6	106.5	32.2	93.9	1,167	686	481	159	107	52
1985 TOTAL	3,214	688										1,703	1,167	534
1984 TOTAL	2,868	639										1,652	1,137	515
8 MONTHS														
1986	2,396	535										1,089	736	353
1985	2,143	484										1,110	750	360
1984	2,028	451										1,064	730	334
1983	1,880	430										841	610	231

LENDER ACTIVITY

LONG-TERM MORTGAGE LOANS CLOSED

By Type of Institution and By Unit Type

(Dollars in millions)

YEAR AND MONTH	TOTAL Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.	1-4 UNITS Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.
1985										
NOV	$32,864	$5,660	$12,363	$11,886	$2,955	$21,142	$5,200	$9,357	$6,491	$94
DEC	43,586	5,730	15,919	16,189	5,748	22,814	5,158	10,101	7,162	393
1986										
JAN	24,806	5,488	10,512	7,428	1,378	17,341	5,168	7,893	4,126	154
FEB	28,203	5,835	10,478	9,983	1,907	18,980	5,326	8,157	5,418	79
MAR	34,748	8,906	13,190	10,211	2,441	25,767	8,134	10,348	6,944	341
APR[p]	42,416	8,699	15,811	15,490	2,416	30,533	8,188	12,705	9,375	315
1985 TOTAL	369,343	68,065	145,372	127,873	28,033	241,474	62,658	109,286	68,224	1,306
1984 TOTAL	295,062	50,816	129,482	97,776	16,988	199,228	47,589	96,187	54,626	826
4 MONTHS										
1986	130,215	28,928	49,991	43,154	8,142	92,687	26,816	39,103	25,879	889
1985	93,121	17,641	38,764	30,431	6,285	61,068	16,221	28,405	16,193	249
1984	86,439	19,458	36,958	25,845	4,178	60,200	18,284	27,484	14,190	242
1983	72,554	19,608	25,360	24,004	3,582	53,474	18,430	19,736	15,100	208

LENDER ACTIVITY (Cont'd.)

LOANS CLOSED (Cont'd.)

(Dollars in millions)

YEAR AND MONTH	5+ UNITS					NONRESIDENTIAL				
	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.
1985										
NOV	$2,545	$183	$1,401	$716	$245	$9,137	$277	$1,605	$4,639	$2,616
DEC	5,048	274	2,935	1,111	728	15,724	298	2,883	7,916	4,627
1986										
JAN	1,790	86	1,218	433	53	5,675	234	1,401	2,869	1,171
FEB	2,335	323	1,099	541	372	6,888	186	1,222	4,024	1,456
MAR	2,216	300	1,278	447	191	6,765	472	1,564	2,820	1,909
APR$_P$	2,394	320	1,305	416	353	9,439	191	1,801	5,699	1,748
1985 TOTAL	28,034	2,396	15,604	7,262	2,772	99,835	3,011	20,482	52,387	23,955
1984 TOTAL	20,588	443	13,160	5,519	1,466	75,246	2,784	20,135	37,631	14,696
4 MONTHS										
1986	8,733	1,029	4,900	1,835	969	28,795	1,083	5,988	15,440	6,284
1985	7,028	758	3,999	1,714	557	25,025	662	6,360	12,524	5,479
1984	6,132	156	3,829	1,690	457	20,107	1,018	5,645	9,965	3,479
1983	4,150	306	2,245	1,339	260	14,930	872	3,379	7,565	3,114

LONG-TERM COMMITMENT ACTIVITY

By Type of Institution

(Dollars in millions)

YEAR AND MONTH	ISSUED DURING MONTH					OUTSTANDING				
	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.
1985										
NOV	$29,343	$6,636	$13,967	$5,476	$3,264	$112,662	$12,237	$49,249	$32,014	$19,162
DEC	28,511	6,489	14,889	4,693	2,440	109,632	14,091	47,704	31,459	16,378
1986										
JAN	26,031	7,695	12,913	3,000	2,423	96,650	13,930	47,353	18,327	17,040
FEB	31,132	7,954	13,907	6,680	2,591	108,898	16,153	44,355	30,732	17,658
MAR	42,995	14,666	17,787	6,118	4,424	124,558	23,110	50,614	31,625	19,209
APR$_P$	44,395	9,813	21,823	8,751	4,008	130,476	20,753	53,917	35,033	20,773
1985 TOTAL	323,085	59,986	170,763	60,635	31,701					
1984 TOTAL	258,986	44,893	146,184	47,065	20,844					
4 MONTHS										
1986	144,553	40,128	66,430	24,549	13,446					
1985	81,328	14,018	48,881	8,803	9,626					
1984	87,753	16,850	47,037	15,365	8,501					
1983	64,284	15,991	32,847	10,284	5,162					

MORTGAGE INSURANCE

(Units in thousands, Dollars in millions)

YEAR AND MONTH	APPLICATIONS RECEIVED (Units)				LOANS INSURED							
	Total	FHA[3]	VA	Private	Total		FHA(203)		VA		Private	
					Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.
1986												
MAR	305	211	33	61	115	$7,752	57	$3,477	23	$1,621	35	$2,654
APR	379	270	32	77	105	7,354	47	2,939	18	1,299	40	3,116
MAY	344	220	39	85	141	9,837	73	4,608	24	1,742	44	3,487
JUN	314	166	48	100	138	9,904	56	3,530	32	2,397	50	3,977
JUL	320	166	42	112	153	10,878	64	3,971	27	1,942	62	4,965
AUG$_P$	265	128	44	93	203	13,908	107	6,551	37	2,657	59	4,700
1985 TOTAL	2,194	902	251	1,041	1,261	83,305	338	19,784	192	13,046	731	50,475
1984 TOTAL	1,862	477	180	1,205	1,344	86,775	200	10,644	198	12,728	946	63,403
8 MONTHS												
1986	2,343	1,427	287	629	1,062	73,525	494	30,508	198	14,204	370	28,813
1985	1,447	578	147	722	794	51,623	192	10,791	113	7,568	489	33,264
1984	1,279	285	135	859	972	62,643	155	8,273	149	9,579	668	44,791
1983	1,344	593	206	545	789	46,938	250	12,534	173	10,893	366	23,511

SECONDARY MARKET ACTIVITY

(Dollars in millions)

YEAR AND MONTH	FNMA Portfolio Comm.	FNMA Portfolio Purc.	FNMA Mortgage-Backed Securities Outstanding	FNMA Mortgage-Backed Securities Issued	FHLMC* Comm. to Sell	FHLMC* Comm. to Buy	FHLMC* Mtg. Purc.	FHLMC* Mtg. Sold	GNMA Pass-Through Securities Applications	GNMA Pass-Through Securities Issued
1986										
MAR	$1,917	$1,410	$62,310	$2,260	$7,213	$7,128	$5,318	$5,900	$14,853	$5,059
APR	3,774	1,631	64,171	2,835	8,223	9,869	6,195	5,593	13,336	6,900
MAY	3,538	1,978	67,312	4,491	9,857	10,612	8,947	8,162	4,863	5,872
JUN	3,049	3,000	72,377	6,831	9,720	10,338	10,505	10,353	9,472	8,178
JUL	3,270	3,343	76,197	6,106	n.a.	n.a.	n.a.	n.a.	14,246	10,226
AUG[P]	3,840	3,800	81,060	7,079	n.a.	n.a.	n.a.	n.a.	10,177	6,813
1985 TOTAL	20,225	21,510	—	23,649	30,743	32,601	21,885	20,489	36,101	27,857
1984 TOTAL	21,007	16,721	—	13,546	30,921	32,846	22,952	21,376	70,280	50,496
8 MONTHS										
1986	23,282	17,510	—	36,545	45,419	49,296	39,279	37,576	83,022	53,351
1985	13,798	14,718	—	11,933	22,120	24,353	18,574	17,018	39,097	25,900
1984	13,320	11,231	—	8,811	10,564	11,108	8,271	7,308	24,461	19,962
1983	11,518	11,559	—	10,090	11,601	12,130	11,687	11,043	51,394	36,087

* FHLMC Year-to-date totals are for six months only.

INTEREST RATES AND YIELDS

YEAR AND MONTH	1- to 4-UNIT MORTGAGES: FHA OPINION SURVEY FHA New[4]	FHA OPINION SURVEY CONVENTIONAL New	FHA OPINION SURVEY CONVENTIONAL Existing	FHLBB SURVEY CONVENTIONAL New	FHLBB SURVEY CONVENTIONAL Existing	FNMA 1 Yr. ARM (1%/Yr.)	FNMA FRM Conv.	APARTMENTS[5] APT's
1986								
APR	9.80%	9.99%	9.99%	10.27%	10.37%	8.49%	9.300%	10.84%
MAY	10.07	10.32	10.33	10.22	10.15	8.70	9.663	10.81
JUN	9.98	10.38	10.39	10.15	10.20	8.60	10.050	11.62
JUL	10.01	10.28	10.32	10.30	10.26	8.29	9.813	12.02
AUG	9.80	9.88	9.92	10.26	10.26	7.96	9.455	11.45
SEP[P]	n.a.	n.a.	n.a.	10.22	10.08	7.86	9.588	12.16

YEAR AND MONTH	CURRENT SECONDARY MARKET YIELDS GNMA[6]	FNMA[6]	FHLMC[6]	SELECTED SECURITIES A-Rated[7] Utility	U.S. Government 10-yr.	U.S. Government 26-wk.	Prime Comm. Paper 90-119 Days
1986							
APR	9.01%	9.08%	9.12%	9.26%	7.30%	6.08%	6.60%
MAY	9.33	n.a.	n.a.	9.50	7.71	6.19	6.62
JUN	9.57	9.71	9.75	9.65	7.80	6.27	6.71
JUL	9.32	9.48	9.49	9.57	7.30	5.86	6.33
AUG	9.11	9.21	9.24	9.51	7.17	5.55	5.92
SEP	9.28	9.27	9.32	9.56	7.45	5.35	5.71

YEAR AND MONTH	SPREADS (Basis Points) FHA New Minus A-Utility	GNMA Minus 10-Yr. Govt.	FNMA Minus 10-Yr. Govt.	FHLMC Minus 10-Yr. Govt.
1986				
APR	54	171	178	182
MAY	57	162	n.a.	n.a.
JUN	41	177	191	195
JUL	50	202	218	219
AUG	29	194	204	207
SEP	n.a.	183	182	187

NA—Not available. p—Preliminary.

[1] From the National Association of Realtors "Existing Home Sales" series.

[2] Mutual Savings Banks and Commercial Banks.

[3] FHA applications received includes the Direct Endorsement Program starting in 1984.

[4] Secondary market gross yields.

[5] Federal Home Loan Mortgage Corp. Existing Construction only.

[6] Securities for 0 to 30 day delivery.

[7] Prior to January 1984 this rate was for Aaa-rated New Issue Utility Bonds.

[8] Year-to-date seasonally adjusted series not calculated.

[9] 1985 data on mortgage bankers obtained from the HUD Survey of Mortgage Lending Activity.

MORTGAGE BANKING ACTIVITY

LONG-TERM MORTGAGE LOANS CLOSED[1]

YEAR AND MONTH	NOT SEASONALLY ADJUSTED									SEASONALLY ADJUSTED			
		1-4 Units				5+ Units							
	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.	Non-[3] res.	Total[2]	1-4 Units	5+ Units	Non-[3] res.
1984													
JUL	$ 3,760	$ 3,330	$ 800	$ 530	$ 2,000	$ 0	$ 0	$ 0	$ 430	$3,530	$2,960	$ 0	$460
AUG	3,570	3,070	520	380	2,170	0	0	0	500	3,120	2,600	0	510
SEP	3,050	2,400	550	380	1,470	70	70	0	580	3,380	2,500	120	780
OCT	3,700	3,110	820	470	1,820	0	0	0	590	3,600	2,920	0	750
NOV	3,370	3,090	820	470	1,800	0	0	0	280	3,890	3,610	0	280
DEC	**5,250**	**4,090**	**1,280**	**690**	**2,120**	**80**	**0**	**80**	**1,080**	**4,880**	**3,860**	**70**	**770**
1983 Total	65,050	55,680	20,620	12,570	22,490	3,840	810	3,030	5,530				
1984 Total	53,170	44,500	10,850	7,130	26,520	1,980	120	1,860	6,680				
12 MONTHS[5]													
1984	53,170	44,500	10,850	7,130	26,520	1,980	120	1,860	6,680				
1983	65,050	55,680	20,620	12,570	22,490	3,840	810	3,030	5,530				
1982	29,250	24,440	8,510	5,160	10,770	1,580	640	940	3,230				
1981	33,470	25,830	8,380	6,200	11,250	1,740	770	970	5,910				

COMMITMENT ACTIVITY: LONG-TERM MORTGAGE LOANS[1]

YEAR AND MONTH	COMMITMENTS DURING MONTH								OUTSTANDING COMMITMENTS END OF MONTH					
	To Borrowers				From Investors				To Borrowers			From Investors		
	Total	1-4 Units	5+ Units	Non-[3] res.	Total	1-4 Units	5+ Units	Non-[3] res.	1-4 Units	5+ Units	Non-[3] res.	1-4 Units	5+ Units	Non-[3] res.
1984														
JUL	$ 4,060	$ 2,940	$ 0	$1,120	$ 4,050	$ 3,580	$ 20	$ 450	$10,840	$ 70	$570	$9,870	$250	$1,570
AUG	2,920	2,630	0	290	4,220	3,380	10	830	7,430	40	500	7,730	210	1,600
SEP	2,910	2,640	30	240	2,760	2,400	80	280	7,350	300	500	7,460	480	800
OCT	3,910	3,240	0	670	4,550	4,090	30	430	7,660	170	540	8,400	370	740
NOV	3,430	2,820	0	610	3,880	2,760	170	950	7,460	40	690	6,940	270	1,050
DEC	**5,480**	**4,090**	**430**	**960**	**4,850**	**3,910**	**80**	**860**	**7,850**	**100**	**750**	**7,810**	**260**	**1,170**
1983 TOTAL	81,070	67,740	4,310	9,020	79,450	64,240	5,770	9,440						
1984 TOTAL	50,100	41,420	510	8,170	55,550	43,820	3,160	8,570						
12 MONTHS[5]														
1984	50,100	41,420	510	8,170	55,550	43,820	3,160	8,570						
1983	81,070	67,740	4,310	9,020	79,450	64,240	5,770	9,440						
1982	47,800	36,760	3,330	7,710	46,740	34,380	3,960	8,400						
1981	36,700	30,170	1,200	5,330	44,700	30,410	1,740	12,550						

OUTSTANDING END OF MONTH INVENTORY[1]

YEAR AND MONTH		1-4 Units				5+ Units			
	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.	Non-res.[3]
1984									
JUL	$8,870	$6,990	$1,480	$1,090	$4,420	$730	$0	$730	$1,150
AUG	7,070	5,520	1,060	740	3,720	640	0	640	910
SEP	7,390	5,490	1,010	680	3,800	640	0	640	1,260
OCT	8,060	6,350	1,190	870	4,290	600	0	600	1,110
NOV	8,010	6,280	1,190	850	4,240	590	0	590	1,140
DEC	**6,840**	**6,090**	**1,500**	**980**	**3,610**	**170**	**0**	**170**	**580**

MORTGAGE BANKING ACTIVITY (Cont'd.)

YEAR AND MONTH	COVERAGE[4] 1-4 Units	5+ Units	Non-[3] res.	SERVICING VOLUME[1] Total	1-4 Units	5+ Units	Non.[3] res.	NOTES PAYABLE[1] (End of Month Balances) Total	Comm. Paper	To Banks	To Others
1984											
JUL	55%	31%	91%	$421,420	$317,600	$63,980	$39,840	$41,960	$6,190	$12,710	$23,060
AUG	60	31	113	363,570	282,400	42,060	39,110	47,940	5,750	13,220	28,970
SEP	58	51	45	381,070	302,840	39,300	38,930	59,220	4,520	14,240	40,460
OCT	60	48	45	417,780	339,960	40,660	37,160	57,230	4,830	17,070	35,330
NOV	51	43	57	422,490	350,580	39,790	32,120	54,180	4,820	19,180	30,180
DEC	56	96	88	385,270	321,620	33,110	30,540	42,280	8,390	23,680	10,210

CONSTRUCTION AND LAND LOAN ACTIVITY[1]

YEAR AND MONTH	CONSTRUCTION LOANS CLOSED Total	1-4 Units	5+ Units	Non-[3] res.	DISBURSEMENTS DURING MONTH Total	1-4 Units	5+ Units	Non-[3] res.	Land Loans	END OF MONTH INVENTORY Total	1-4 Units	5+ Units	Non-[3] res.	Land Loans
1984														
JUL	$790	$130	$210	$450	$280	$ 70	$10	$200	$180	$2,760	$ 900	$240	$1,620	$1,120
AUG	410	110	130	170	100	60	0	40	90	2,200	790	190	1,220	830
SEP	440	100	160	180	100	50	10	40	120	2,150	790	180	1,180	800
OCT	400	210	100	90	90	40	10	40	130	2,180	780	220	1,180	870
NOV	210	140	50	20	170	110	20	40	240	3,520	1,380	410	1,730	2,260
DEC	470	270	120	80	430	220	30	180	470	9,240	3,790	790	4,660	3,440

COMMITMENTS TO BORROWERS: AND LAND CONSTRUCTION LOANS[1]

YEAR AND MONTH	ISSUED DURING MONTH Total	1-4 Units	5+ Units	Non-[3] res.	END OF MONTH BALANCES Total	1-4 Units	5+ Units	Non-[3] res.
1984								
JUL	$1,730	$130	$ 60	$1,540	$4,090	$870	$470	$2,750
AUG	770	190	80	500	3,680	850	460	2,370
SEP	760	100	80	580	4,170	760	580	2,830
OCT	710	150	160	400	3,820	860	590	2,370
NOV	380	140	70	170	3,230	680	430	2,120
DEC	790	200	10	580	3,910	930	280	2,700

Notes: [1] All dollar amounts are in millions.

[2] Total is seasonally adjusted separately from components. Total, therefore, may not equal sum of parts.

[3] Series labeled non-residential are also inclusive of farm data.

[4] Percent coverage equals outstanding commitments received from investors divided by the sum of outstanding end of month inventory and outstanding commitments issued to borrowers, all multiplied by 100.

[5] Year to date seasonally adjusted series not calculated.